

PROPOSITION 65 SETTLEMENT AGREEMENT

1. INTRODUCTION

1.1 The Parties

This Settlement Agreement (“Agreement”) is entered into by and between Keep America Safe and Beautiful (“KASB”) and Harley-Davidson, Inc. and Harley-Davidson Motor Company, Inc. (collectively, “Harley-Davidson”), with KASB and Harley-Davidson each individually referred to as a “Party” and, collectively, the “Parties.” KASB is a California-based non-profit organization proceeding in the public interest pursuant to California Health & Safety Code § 25249.7(d) to ensure that chemicals known to the State of California to cause cancer, birth defects or other reproductive harm are disclosed in or eliminated from consumer products sold in California. Harley-Davidson is a person in the course of doing business for purposes of California Health & Safety Code § 25249.11(b).

1.2 Consumer Product Description

KASB alleges that Harley-Davidson manufactures, imports, sells, and distributes for sale in California Vinyl Banners containing di(2-ethylhexyl) phthalate (“DEHP”) including, but not limited to the *Décor Banner #1 Logo White, Item #99512-21MX* and that Harley-Davidson does so without providing the health hazard warning that KASB alleges is required by California Health & Safety Code § 25249.5 *et seq.* (“Proposition 65”). All such Vinyl Banners shall be referred to hereinafter as the “Products.” DEHP is listed pursuant to Proposition 65 as a chemical known to the State of California to cause cancer and birth defects or other reproductive harm.

1.3 Notice of Violation

On December 13, 2024, KASB served Harley-Davidson, the California Attorney General, and the requisite public enforcement agencies with a 60-Day Notice of Violation (“Notice”). In its Notice, KASB alleges Harley-Davidson violated Proposition 65 by failing to warn its customers and consumers in California that the Products can expose users to DEHP. No public enforcer has commenced and is diligently prosecuting an action to enforce the allegations in the Notice.

1.4 No Admission

Harley-Davidson denies the factual and legal allegations contained in the Notice and maintains that all products it has sold or distributed for sale in California, including the Products, comply with all laws. No term of this agreement nor Harley-Davidson's compliance with its terms shall constitute or be construed as an admission by Harley-Davidson of any fact, finding, conclusion, or violation of law by Harley-Davidson. This section shall not, however, diminish or otherwise affect Harley-Davidson's obligations, responsibilities, and duties under this Agreement.

1.5 Effective Date

For purposes of this Agreement, "Effective Date" shall mean the date this Agreement is fully executed by the Parties.

1.6 Compliance Date

For purposes of this Agreement, "Compliance Date" shall mean the date that is sixty (60) days after the Effective Date.

2. INJUNCTIVE RELIEF: REFORMULATION OR WARNINGS

2.1 Commitment to Reformulate or Provide Warnings

Commencing on or before the Compliance Date and continuing thereafter, all Products Harley-Davidson manufactures, imports, or distributes for sale or resale in or into California, directly or indirectly through any downstream customer or other entity in its chain of distribution, shall meet the Reformulation Standard for Reformulated Products defined by Section 2.2, below, or comply with the clear and reasonable warning requirements of Section 2.3, below.

2.2 Reformulation Standard

For purposes of this Agreement, "Reformulated Products" are defined as Products containing di(2-ethylhexyl) phthalate ("DEHP") in a maximum concentration of 0.1 percent (1,000 parts per million) when analyzed by a laboratory certified or accredited by the State of California, the United States Food and Drug Administration/Environmental Protection Agency,

the National Environmental Laboratory Accreditation Program, or a member accreditation body of the International Laboratory Accreditation Cooperation (ILAC). For purposes of compliance with this reformulation standard, testing samples shall be prepared and extracted using Consumer Product Safety Commission (“CPSC”) methodology CPSCCH-C1001.09.3 and analyzed using U.S. Environmental Protection Agency methodology 8270D, or other methodologies utilized by federal or state government agencies to determine- phthalate content in a solid substance.

2.3 Clear and Reasonable Consumer Warnings

Commencing on or before the Compliance Date and continuing thereafter, for all Products that are not Reformulated Products as defined by Section 2.2, above, Harley-Davidson shall provide clear and reasonable warnings in accordance with this Section and pursuant to Title 27 California Code of Regulations § 25600, et seq. Each warning shall be prominently placed with such conspicuousness as compared with other words, statements, designs, or devices as to render it likely to be read and understood by an ordinary individual under customary conditions before purchase or use and shall be provided in a manner such that it is clearly associated with the specific Product to which the warning applies.

(a) **Warning.** Except for as otherwise provided in this Agreement, the Warning shall consist of the following statement:

▲WARNING: This product can expose you to chemicals including di(2-ethylhexyl) phthalate (DEHP), which is known to the State of California to cause cancer and birth defects or other reproductive harm. For more information go to www.P65Warnings.ca.gov.

(b) **Short-Form Warnings.** Harley-Davidson may, but is not required to, use the following short-form warnings (“Short-Form Warning”), subject to the additional requirements in Sections 2.4 and 2.5, below, as follows:

⚠WARNING [or] CA WARNING [or] CALIFORNIA WARNING: Risk of cancer and reproductive harm from exposure to di(2-ethyhexyl) phthalate (DEHP). See www.P65Warnings.ca.gov.

- Or -

⚠WARNING [or] CA WARNING [or] CALIFORNIA WARNING: Can expose you to di(2-ethyhexyl) phthalate (DEHP), a carcinogen and reproductive toxicant. See www.P65Warnings.ca.gov.

- Or -

The following warning statement may be used on Products containing DEHP manufactured and labeled prior to January 1, 2028:

⚠ WARNING: Cancer and Reproductive Harm – www.P65Warnings.ca.gov

(c) **Foreign Language Requirement.** Where a consumer product sign, label or shelf tag used to provide a warning includes consumer information in language(s) other than English, the warning must also be provided in the other language(s) in addition to English.

2.4 Product Warnings

Commencing on or before the Compliance Date and continuing thereafter, for all Products sold and/or offered for sale in California that do not meet the definition of “Reformulated Products” established by Section 2.2, above, Settling Party shall affix a warning to the Product label or otherwise directly on Products provided for sale to consumers located in California and to customers with retail outlets in California or nationwide distribution. For purposes of this Agreement, “Product label” means any display of written, printed or graphic material printed on or affixed to a Product or its immediate container or packaging. A warning provided pursuant to section 2.3(a) or (b) must print the word “**WARNING:**” in all capital letters and in bold font. The warning symbol to the left of the word “**WARNING:**” must be a black exclamation point in a yellow equilateral triangle with a black outline, except if the labeling does not use the color yellow, the symbol may be in black and white. The entire warning shall appear in at least 6-point type and no smaller than the largest type size used for other consumer information on the Products.

2.5 Internet Warnings

If, on or after the Compliance Date, Harley-Davidson sells Products other than Reformulated Products via the internet, through its own website, an affiliates' website or a third-party website, to consumers located in California or to customers it knows have retail outlets in California, who sell online via the internet in or into California or maintain nationwide distribution, then Harley-Davidson shall provide warnings for each Product both on the Product packaging in accordance with Section 2.4, and by prominently displaying or requiring the warning to be prominently displayed to the consumer during the purchase of the Product without requiring customers to seek out the warning. The warning or a clearly marked hyperlink to the warning using the word "**WARNING**" given in conjunction with the sale of Products via the internet shall appear (a) on the same web page on which the Products are displayed; (b) via a clearly marked hyperlink using the word "**WARNING**" or the words "**CA WARNING**" or "**CALIFORNIA WARNING**" on the product display page that links to the warning; or (c) as an otherwise prominently displayed warning provided to the purchaser prior to completing the purchase (which does not include a warning in the general content section of the website). For third-party websites where Harley-Davidson knows the Products will be sold, Harley-Davidson shall notify such sellers the Products must be accompanied by a warning, prior to sale, in or into California, and shall supply the warning requirements, pursuant to this Section 2.

3. MONETARY SETTLEMENT TERMS

3.1 Civil Penalty

Pursuant to Health and Safety Code § 25249.7(b), Harley-Davidson agrees to pay a civil penalty of \$2,500 within ten (10) business days of the Effective Date. Harley-Davidson's civil penalty payment will be allocated according to Health and Safety Code §§ 25249.12(c)(1) and (d), with seventy-five percent (75%) of the penalty paid to the California Office of Environmental Health Hazard Assessment ("OEHHA"), and the remaining twenty-five percent (25%) retained by KASB. Harley-Davidson shall issue its payment in two checks made payable to: (a) "OEHHA" in the amount of \$1,875; and (b) "Seven Hills LLP in Trust for Keep America

Safe and Beautiful” in the amount of \$625. KASB’s counsel shall deliver to OEHHA and KASB their respective portion of the penalty payment.

3.2 Reimbursement of Attorneys’ Fees and Costs

After the Parties finalized all other material settlement terms KASB and Harley-Davidson negotiated Harley-Davidson’s reimbursement of a portion of KASB’s attorneys’ and fees and costs to be paid to KASB’s counsel. The Parties did so pursuant to general contract principles and the private attorney general doctrine, codified at California Code of Civil Procedure § 1021.5, for all work performed through the mutual execution and reporting of this Agreement to the Office of the California Attorney General. Accordingly, within ten (10) business days of the Effective Date, Harley-Davidson agrees to issue a check in the amount of \$24,000 payable to “Seven Hills LLP” for all fees and costs incurred investigating, bringing this matter to Harley-Davidson’s attention, negotiating a settlement in the public interest, and reporting its terms to Office of the California Attorney General pursuant to Section 9.

3.3 Payments

All payments payable and due under this Agreement shall be delivered to KASB’s counsel at the following address:

Seven Hills LLP
Attn: Brian C. Johnson
4 Embarcadero Center, Suite 1400
San Francisco, CA 94111

4. CLAIMS COVERED AND RELEASED

4.1 KASB’s Release of Harley-Davidson

This Agreement is a full, final and binding resolution between KASB, as an individual and *not* on behalf of the public, and Harley-Davidson, of any violation of Proposition 65 that was or could have been asserted by KASB on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, against Harley-Davidson, its parents, subsidiaries, affiliated entities under common ownership including: directors, officers, employees, attorneys, and each entity to whom Harley-Davidson directly or indirectly distributes

or sells Products, including, but not limited to, downstream distributors, wholesalers, customers, retailers, franchisees, cooperative members, and licensees (collectively, "Releasees"), based on their failure to warn under Proposition 65 about alleged exposures to DEHP contained in the Products that were manufactured, distributed, sold and/or offered for sale by Harley-Davidson in California before the Compliance Date, as alleged in the Notice.

In further consideration of the promises and agreements herein contained, KASB as an individual and *not* on behalf of the public, on behalf of itself, its past and current agents, representatives, attorneys, successors, and/or assignees, expressly waives all of KASB's rights to institute or participate in, directly or indirectly, any form of legal action and releases all claims that KASB may have, including, without limitation, all actions, and causes of action, in law or in equity, suits, liabilities, demands, obligations, damages, costs, fines, penalties, losses, or expenses including, but not exclusively, investigation fees, expert fees, and attorneys' fees arising under Proposition 65 with respect to DEHP in the Products manufactured, distributed, sold and/or offered for sale by Harley-Davidson, before the Compliance Date, against Harley-Davidson and Releasees.

The Parties further understand and agree that this Section 4.1 release includes parties that supplied the Products and/or any component parts thereof to Harley-Davidson, but only to the extent those Products and/or the component parts thereof were ultimately sold or distributed for sale in California by Harley-Davidson. The Parties also agree and understand that this Section 4.1 release shall not extend downstream to any Releasee or other customer of Harley-Davidson who has been instructed pursuant to Section 2.4 to provide a warning on Products that are not Reformulated Products and fail to do so. Nothing in this Section shall affect KASB's right to commence or prosecute an action under Proposition 65 against a Releasee or any other entity that does not involve Harley-Davidson's Products.

4.2 Harley-Davidson's Release of KASB

Harley-Davidson, on its own behalf and on behalf of its past and current agents, representatives, attorneys, successors, and assignees, hereby waives any and all claims against

KASB and its attorneys and other representatives, for any and all actions taken or statements made by KASB and its attorneys and other representatives, whether in the course of investigating claims or otherwise seeking to enforce Proposition 65 against it with respect to the Products.

4.3 Mutual Waiver of California Civil Code § 1542

KASB on its own behalf as a nonprofit corporation, and *not* in the public interest, on the one hand, and Harley-Davidson, on the other hand, each acknowledge that the claims in this Agreement include all known and unknown claims pertaining to the failure to warn of exposures to DEHP in Products sold in California before the Compliance Date, and each waives the provisions of California Civil Code section 1542 as to any unknown claims pertaining to the failure to warn of exposures to DEHP in the Products sold in California that may have existed prior to and including the Compliance Date, except as provided in Section 4.2. California Civil Code section 1542 reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties acknowledge and understand the significance and consequences of this specific waiver of California Civil Code section 1542 and agree to waive the same as well as any statute of similar import or meaning of any other jurisdiction.

5. SEVERABILITY

If, subsequent to the execution of this Agreement, any provision of this Agreement is deemed by a court to be unenforceable, the validity of the remaining provisions shall not be adversely affected but only to the extent the deletion of the provision deemed unenforceable does not materially affect, or otherwise result in the effect of the Agreement being contrary to the intent of the Parties in entering into this Agreement.

6. GOVERNING LAW

The terms of this Agreement shall be governed by the laws of the State of California and apply within California. Nothing in this Agreement shall be interpreted to relieve Harley-Davidson from its obligation to comply with any pertinent state or federal law or regulation.

7. NOTICE

Unless specified herein, all correspondence and notice required by this Agreement shall be in writing and sent by: (i) first-class registered or certified mail, return receipt requested; or (ii) a recognized overnight courier to any Party by the other at the following addresses:

For Harley-Davidson:

Julie Purcell, Corporate Counsel
Harley-Davidson, Inc.
3700 W Juneau Avenue
Milwaukee, WI 53208

For KASB:

Brian C. Johnson, Esq.
Seven Hills LLP
4 Embarcadero Center, Suite 1400
San Francisco, CA 94111

With a copy to:

Sarah A. Slack, Esq.
Foley & Lardner LLP
555 South Flower St., Suite 3300
Los Angeles, CA 90071

Any Party may, from time to time, specify in writing to the other Party a change of address to which all notices and other communications shall be sent.

8. COUNTERPARTS AND ELECTRONIC SIGNATURES

This Agreement may be executed in counterparts and by electronic or facsimile signature(s), each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same document.

9. COMPLIANCE WITH REPORTING REQUIREMENTS

KASB and its counsel agree to comply with the reporting form requirements referenced in California Health and Safety Code § 25249.7(f).

10. ENTIRE AGREEMENT

This Agreement contains the sole and entire agreement and understanding of the Parties with respect to the subject matter hereof, and any and all prior discussions, negotiations, commitments, or understandings related thereto, if any, are hereby merged. No warranty, representation, or other agreement between the Parties except as expressly set forth herein exists. No representation, oral or otherwise, express or implied, other than those specifically referred to in this Agreement have been made by any Party. No other agreements not expressly contained herein shall be deemed to exist or to bind either of the Parties.

11. PUBLIC BENEFIT

It is Harley-Davidson's understanding that the commitments it has agreed to herein, and actions to be taken by Harley-Davidson under this Agreement, would confer a significant benefit to the general public, as set forth in Code of Civil Procedure § 1021.5 and Cal. Admin. Code tit. 11, § 3201. As such, it is the intent of Harley-Davidson that to the extent any other private party initiates an action alleging a violation of Proposition 65 with respect to Harley-Davidson's failure to provide a warning concerning exposure to DEHP prior to use of the Products it has manufactured, distributed, sold, or offered for sale in California, or will manufacture, distribute, sell, or offer for sale in California, such private party action would not confer a significant benefit on the general public as to those Subject Products addressed in this Agreement, provided that Harley-Davidson is in material compliance with this Agreement.

12. MODIFICATION

This Agreement may be modified only by a written agreement of the Parties. In the event the Parties elect to modify this agreement KASB and its counsel agree to report the modified agreement to the California Attorney General's office within five days of its execution by the Parties, consistent with Section 9, above.

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13. AUTHORIZATION


The undersigned are authorized to execute this Agreement on behalf of their respective Parties and have read, understand, and agree to all the terms and conditions set forth in this Agreement.

AGREED TO:

AGREED TO:

Date: 3/16/2026

Date: _____

By:  _____
Lance Nguyen, CEO
KEEP AMERICA SAFE AND
BEAUTIFUL

By: _____
Marcus Wester, Legal – Assistant General Counsel
HARLEY-DAVIDSON, INC. and
HARLEY-DAVIDSON MOTOR COMPANY,
INC.

13. AUTHORIZATION

The undersigned are authorized to execute this Agreement on behalf of their respective Parties and have read, understand, and agree to all the terms and conditions set forth in this Agreement.

AGREED TO:

Date: 3/16/2026

By: _____

Lance Nguyen, CEO
KEEP AMERICA SAFE AND
BEAUTIFUL

AGREED TO:

Date: 3/30/26

By: _____

Marcus Wester, Legal – Assistant General Counsel
HARLEY-DAVIDSON, INC. and
HARLEY-DAVIDSON MOTOR COMPANY,
INC.